

Amend 2 Cal. Code Regs. Section 18540 as follows:

18540. Voluntary Expenditure Ceilings.

(a) For purposes of Government Code section 85400, campaign expenditures shall be allocated to primary, general, special, or runoff elections as follows:

(1) Expenditures related to mailing or distribution of campaign literature, signs, buttons, bumper stickers and similar items, shall be allocated to the next election following the date(s) on which the expenditures were made or, if the election is held on the date when the expenditures were made, to the election held on that date.

(2) Expenditures related to publications in broadcast, print or electronic media shall be allocated to the next election following the date(s) specified in the contract for broadcast, publication, or dissemination or, if the election is held on the date specified for publication, broadcast, or dissemination, to the election held on that date.

(3) Expenditures related to telephone banks, including costs of design and operation, costs of installing or renting telephone lines and equipment, toll charges, personnel costs, rental of office space, and associated consultants' fees, shall be allocated to the next election following the date(s) on which the expenditures were made or, if the election is held on the date when the expenditures were made, to the election held on that date.

(4) Expenditures on professional services, including fees and costs of campaign consultants and pollsters, shall be allocated to the next election following the date(s) on which the expenditures were made or, if the election is held on the date when the expenditure was made, to the election held on that date. In the event that a contract for professional services allocates specific fees and costs to particular elections, the terms of the contract will govern allocation of expenditures to each election. If a contract provides for a bonus payment should the candidate win a particular election, the bonus payment is an expense of the election whose result triggers the payment obligation.

1 (5) Overhead expenditures, including expenditures related to the lease of office space,
2 payments for utilities, rental or purchase of office equipment and furnishings, miscellaneous supplies,
3 costs of internal copying and printing, monthly telephone charges, personnel costs, and candidate or
4 staff travel expenses, shall be allocated to the next election following the date(s) on which the
5 expenditures were made or, if the election is held on the date when the expenditures were made, to the
6 election held on that date.

7 (6) Expenditures related to campaign fundraising shall be allocated to the election for which the
8 funds were raised. If fundraising expenditures cannot be assigned in this manner to a particular election,
9 fundraising expenditures shall be allocated to the next election following the date(s) on which the
10 expenditures were made or, if the election is held on the date when the expense was incurred, to the
11 election held on that date. Fundraising expenditures for the payment of debts under Government Code
12 section 85316 shall not be counted against the voluntary expenditure ceilings established under
13 Government Code section 85400.

14 (7) Unless there is a clear indication to the contrary, campaign expenditures not described in
15 subdivisions (a)(1) through (a)(6) of this regulation shall be allocated to the next election following the
16 date(s) on which the expenditures were made or, if the election is held on the date when the expenditure
17 was made, to the election held on that date. Refunds of any expenditure on goods or services not
18 provided to or used by the campaign shall be credited to the election for which the expenditure would
19 otherwise have been allocated.

20 (8) The candidate shall maintain records establishing that his or her allocation of campaign
21 expenditures under Government Code section 85400 was consistent with the provisions of the Act and
22 of this regulation.

23 (b) The allocation of expenditures under this regulation shall be reported pursuant to subdivision
24 ~~(b)~~(c) of 2 Cal. Code Regs. section 18421.4.

1 (c) A non-monetary contribution is deemed to be a campaign expenditure made by the receiving
2 committee on the date of receipt, which counts against the voluntary expenditure limits prescribed by
3 Government Code section 85400, if an expenditure for equivalent goods or services would have been a
4 campaign expenditure described in subdivision (a) of this regulation. For purposes of Government Code
5 section 85400, the amount of the expenditure shall be the fair market value of the contribution on the
6 date of receipt.

7 (d) Expenditures not counted against the voluntary expenditure limits prescribed by Government
8 Code section 85400 include, but are not limited to, contributions to other candidates or committees,
9 costs associated with preparing and filing campaign finance reports required under the Act, candidate
10 filing fees, and costs of ballot pamphlet statements.

11 NOTE: Authority cited: Section 83112, Government Code.
12 Reference: Sections 82015, 85400 and 85402, Government Code.
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